

REAL ESTATE PLANNING REPORT  
AIR FORCE PLANT 75

28 December 1961

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ADDENDA:

- Exhibit "A" - Revocation of Permit
- Exhibit "B" - Project Map

SUMMARY SHEET "A"

AIR FORCE PLANT 75

28 December 1961

1.	FEE TITLE	\$125,000.	
2.	IMPROVEMENTS	NONE	
3.	EASEMENTS	NONE	
4.	HAZARD REMOVALS	NONE	
5.	MINERAL RIGHTS	NONE	
6.	DAMAGES	NONE	
7.	CONTINGENCIES	25,000.	
8.	RESETTLEMENT	NONE	
9.	RELOCATIONS	NONE	
10.	ACQUISITION COSTS	<u>1,100.</u>	
	TOTAL		<u>\$151,100.</u>

Land Acquisition Line Item - Not Available

Related Construction Line Item - Not Applicable

SUMMARY SHEET "B"

1. Valuation of Fee Title Land

<u>Acres</u>	<u>Classification</u>	<u>Unit Value</u>	<u>Annual Rental Value</u>	<u>Appraised Value</u>
2.27	Industrial	\$54,450.	\$6,250.	\$125,000.

Total \$125,000.

2. Valuation of Improvements

None. See Section 10 of Report.

3. Valuation of Easements

None.

4. Flight Hazard Removal

Not Applicable.

5. Valuation of Mineral Rights

None.

6. Damages

None.

7. Contingencies

At 20% of Appraised Value = \$25,000.

Total \$25,000.

Sub-Total \$150,000.  
(1 thru 7)

SUMMARY SHEET "B" Cont'd.

8. Resettlement Costs

None.

9. Relocations

None. See Section 6 of Report.

10. Acquisition Costs

Mapping & Surveys \$ 50.

Appraisals 500.

Title Evidence 100.

Negotiations & Closing 200.

Condemnation 250.

Total \$1,100.

Grand Total \$151,100.

11. Tax Loss to Community

None, public land.

U. S. ARMY ENGINEER DISTRICT, SEATTLE  
CORPS OF ENGINEERS  
1519 ALASKAN WAY SOUTH  
SEATTLE 4, WASHINGTON

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1. AUTHORITY.

7th Indorsement dated 6 October 1961 from Headquarters, USAF to Chief of Engineers (basic letter dated 17 July 1961 from office of Plant Representative, Boeing Airplane Company, to U.S. Army Engineer Office, Seattle, Washington, subject: "Vacation of City Areas, AF Plant 75, Missile Production Center").

2. PROJECT.

This project is Air Force Plant 75, which is operated by the Boeing Airplane Company, of and in Seattle, King County, Washington. It is a Missile Production Center, with current production relating to the Bomarc, KC-135, and Minuteman programs, and future plans to include addition of the Dyna Soar program. The plant, or center, is located on the south side of Diagonal Avenue and west of East Marginal Way (see Exhibit "B").

The subject for this report is a City Street (Diagonal Avenue) which bounds the above described project (Air Force Plant 75) on the north. Some history and reasons for initiation of this report are as follows.

The Government owns the project or plant site, having acquired it about 1941. For years it was used and known as a Quartermaster Depot. It was later used as the Corps of Engineers District Office site. About 1958 it was transferred from the Department of the Army to the Department of the Air Force, who simultaneously permitted use of it to the Boeing Company as part of the consideration of an Air Force contract for missile production.

In 1955, prior to transfer of the project from Army to Air Force in 1958, the City of Seattle passed an ordinance which in effect authorized collection of fees for street use as in subject case. As the City billed the Government (Corps of Engineers) for this street use, payment was repeatedly refused. Then for a few years no further attempts were made by the City to collect the street use fee, until recently when they evidently surmised that now a private company (Air Force contractor Boeing) was occupying the project and enjoying practically exclusive use of the

*original filed in Vacation of Diagonal Ave.*

subject street area (the same as all previous Government users). At this time, they proceeded to: (1) Cancel the permit to the Government for use of the street area; (2) Directed the Boeing Company to apply for, or acquire the same permit; and (3) Billed the Boeing Company for the street use fee. (Total annual fee \$1,255.70).

3. SITE SELECTION TEAM.

None, as site is a City Street right-of-way, which was previously and currently occupied and operated for the proposed use, but on a "no cost" revocable permit which has been revoked. (See Exhibit "A").

4. SITES INSPECTED.

Not applicable.

5. DESCRIPTION OF (SELECTED) SUBJECT SITE.

The site is located in the southern section, and industrial area of Seattle. It is bound on the east by East Marginal Way, a main north-south thoroughfare, on the south by subject project, Air Force Plant 75, on the west by Duwamish River Waterway, and on the north by City-owned land, unimproved except for a sewage disposal plant.

The subject site consists of two parcels, numbers 2 and 3 on attached Planning Map labeled Exhibit "B" of this report. The southerly half is already Government-owned, subject to street use, by virtue of Government being abutting landowner to the south. Both parcels are owned by the City of Seattle. All of Parcel 2 is a street right-of-way for Diagonal Avenue, with the street proper overlapping into both the subject northerly portion and the southerly portion. The street surface is asphaltic concrete, and in fair to good condition. There is also a Government-owned railroad spur line, as shown on Planning Map, located on Parcel 2. This spur line serves subject installation and is a vital support for its operation. This street on Parcel 2 is a dead end at the southwest extremity of the parcel, and the only other users are City employees using the northeast portion only for access to service and operate their sewage disposal plant located north of Parcel 3. Northerly half of Parcel 2 contains 87,120 square feet, or 2.0 acres.

Parcel 3 (see Exhibit "B") is an irregular semicircular shaped tract, containing 11,761 square feet, or 0.27 acre. Its present uses are for part of the railroad spur line previously discussed, and the remainder for trucking access to the main warehouse plant of subject project. This portion used for trucking access is south of the spur line track, has been surfaced with concrete, and is an integral part of the spur line, street, and warehouse, all of which are under fence and inaccessible to the public at this point. This parcel is being used pursuant to "no cost" permit from the City; this permit is still in effect.

The highest and best use of both parcels is industrial, in conjunction with the remaining ownership. The fact that subject land is primarily a street, would not alter the highest and best use of subject land nor remaining ownership, either before or after acquisition of subject, because primary access is and would remain via East Marginal Way on the east boundary.

The combined area of both the north half of Parcel 2, and all of 3, or all of subject property is 98,881 square feet, or 2.27 acres, with 65 lineal feet of frontage on East Marginal Way.

Improvements:

All improvements are Government-owned. They were installed by the Government, or their contractor, while the subject area was being used under permit. The following improvements are within the entire street right-of-way, or all of Parcel 2:

<u>Type</u>	<u>Size</u>	<u>Value</u>
Buildings	4700 SF	\$25,000.
Ramps and Platforms	8690 SF	25,000.
Railroad Trackage	8448 LF	<u>75,000.</u>
	TOTAL	<u>\$125,000.</u>

Of the above listed improvements, only the following are within the subject north half of Diagonal Avenue:

<u>Type</u>	<u>Size</u>	<u>Value</u>
Buildings	150 SF	\$ 800.
Ramps and Platforms	3900 SF	11,700.
Railroad Trackage	660 LF	<u>6,000.</u>
	TOTAL	<u>\$18,500.</u>

The majority of these improvements are extremities of larger buildings, ramps, etc. which are sitting on Government-owned land south of the street right-of-way. Consequently, the values estimated above are for their depreciated value in-place to the Government, and not a market value.

6. RELOCATIONS.

No relocations involved by virtue of acquiring subject property. However, unless some form of acquisition or agreement is consummated, the owners could legally enforce removal of Government-owned improvements. In fact, this has already been ordered in the revocation of the permit, dated 30 August 1961, and allowing 30 days to remove the improvements. (See Exhibit "A" attached). Further, unless the street is vacated, whereby Government would obtain title to the southerly half, City could enforce removal of improvements from entire street right-of-way, or all of Parcel 2.

7. ATTITUDE OF OWNERS AND NEIGHBORHOOD.

Proposed acquisition would have no effect on the neighborhood.

As to owners attitude, they are not in favor of vacating the street right-of-way and probably not in favor of donating the land, however, they possibly would negotiate the sale of same on a market value. This opinion is based on an interview with various personnel in the City's Department of Public Works and Engineering, and for the following reasons.

The only expressed reservations about vacating the street or relinquishing title to subject property were: (1) City's requirement for access, over the northeast portion only, to their sewage plant; and (2) Remote possibility of using the subject street right-of-way for a storm sewer. Number (1) above, can be resolved in Government's acquisition of necessary interests, by making said acquisition "Subject to right of access by City to sewage plant". Number (2) above, as stated, is remote or tentative only, and not a firm requirement. However, should it materialize after Government acquisition, there would be two possibilities of solution. (1) Government could permit City to install sewer line on old street right-of-way; or (2) Appraiser's investigation indicates there is no concrete reason that alignment of the sewer line could not be shifted slightly northerly to other City-owned land.

8. OUTSTANDING INTERESTS AND RESERVATIONS.

The majority of subject property (Parcel 2) is a dedicated public street, and the fact that the Government requirement exists for the property, automatically precludes general public street use. Hence, this reservation could not be left outstanding, and normally would require initiation on the Governments part of a street vacation action. However, since the City has indicated opposition to voluntary vacation, it will have to be accomplished by condemnation.

There are no known further outstanding interests nor reservations.

9. SALES AND SUPPORTING DATA.

As subject land is publicly owned and not assessed, no assessment data was obtained on following properties as it would be impossible to relate them to subject.

Sale No. 1 from Continental Can Company to J.A. Benaroya Company on 3 November 1961 was for \$1.15 per square foot (154,000 SF for \$177,100). It is located 2 miles south of subject, west and two blocks off East Marginal Way, with frontage on northwest side of 8th Avenue South. Sale does not abut the River-Waterway, but has very convenient and short access to same. The land is low, requiring an estimated 1 to 1-1/2 feet



of fill before construction. This is considered to be a completely bona fide sale under the "willing buyer and seller" concept, with no extenuating circumstances. Original asking price was \$1.35/ square foot, with negotiations resulting in the consummation at \$1.15.

The time element is comparable to present value. The size is comparable for subject type properties, though somewhat larger (56%) than subject. The location is slightly worse, being farther from the center of city, off the East Marginal Way thoroughfare, and off the waterfront. The condition is slightly worse, due to low elevation.

Sale No. 2, though recent, is older than No. 1. It was for \$1.85/ square foot. It is a lot in the newly developed and planned Industrial Park known by Oxbow Association. It is located 1 mile south and 1/4 mile east of subject. Asking prices for industrial uses in this park range from \$1.85 to \$2.50 per square foot. The sale location and condition combined are superior to subject, due to being in the park specifically designed and developed for subject use.

Lease No. 1 is also City-owned, adjoining subject property to the north. It is unimproved land, leased by the Boeing Company for parking space. It has no frontage on East Marginal Way, has poor access from Diagonal Avenue because of Government-Boeing occupancy of the street, and is irregular shaped. This lease was consummated in 1957 on a current appraised value, for a 3-year term, and renewed in 1960 at the same rate. The consideration is \$0.0405 per square foot, which capitalized at 5% equals 81¢ indicated land value for the leased land.

Other market data, included analysis of recent appraisal reports on industrial property in Seattle, including comparable sales, leases, and all other information used therein. The most credence was given to an appraisal indicating a \$1.40/square foot land value for Pier 36 property, which is located 1-3/4 miles north of subject. This comparable property is nearer the center of the City, on the same thoroughfare, and has water frontage on a navigable channel. However, this land value was estimated from analysis of improved comparable sales, by the appraiser preparing the report.

After consideration of all factors of comparability affecting value, it is my conclusion that Sale No. 1 is the most comparable and best indicator of value for subject. In view of the fact that it's location and size are comparable, while the location and condition are both slightly inferior to subject, it is my opinion that the current market value of subject land is \$1.25/square foot.

#### 10. VALUATION.

As for improvements, it is the appraiser's opinion that they would have no market value to any prospective buyers, due to their nature as described in Section 5 of this report.

As to severance damages, none, because highest and best use of remaining ownership is unchanged, as is also more fully explained in Section 5.

There is no assessment or tax data on subject property, as it is publicly owned.

Hence the estimated Current Market Value of the fee is:

\*Land - 98,881 SF @ \$1.25 = \$123,601.

Rounded to: \$125,000.

\*Comprises the northerly half of Parcel 2 and all of Parcel 3, as shown on attached Exhibit "B".

11. RESETTLEMENT COSTS.

None.

12. RECOMMENDED ESTATE.

Fee simple title, subject to access by the City to their sewage disposal plant, would appear to be the most desirable. Considering the City's present attitude toward street vacation, however, it is the opinion that acquisition of a lesser interest which will protect the Government's interest should not be overlooked. (See para. 20, Recommendations).

13. RECAPTURE RIGHTS.

Not applicable.

14. GOVERNMENT-OWNED PROPERTY.

No other suitable Government-owned property within the area.

15. PROPOSED CONSTRUCTION.

None. Improvements already made when land was being used under permit.

16. POSSESSION DATE.

The Government is presently in possession of subject premises under permits granted by the City of Seattle. By letter dated 30 August 1961, the City cancelled the permit covering use of Diagonal Avenue. Continued and immediate possession of this street area is required. The permit (no-cost) covering use of Parcel 3 is still in effect.

17. ADMINISTRATIVE COSTS.

Mapping	\$50.
Appraising	500.
Title Evidence	100.
Negotiating & Closing	200.
Condemnation	250.
Resettlement Costs	<u>NONE</u>
TOTAL	<u>\$1,100.</u>

18. SCHEDULE OF ACQUISITION.

In the event condemnation action is taken to vacate the street area and acquire fee title to the portion reverting to the City, it is estimated that a Declaration of Taking can be filed in approximately two months after receipt of the Real Estate Directive by this office.

19. SUMMARY OF SALIENT FACTS.

Parcel 2, portion of Diagonal Avenue, was formerly covered by Use Permit dated 27 August 1941. By letter dated 30 August 1961 the City of Seattle notified the Seattle District Engineer that the permit was cancelled, and directed that the Government remove all improvements from the street area. City subsequently billed Boeing Airplane Company for period April 1961 thru March 1962 in amount of \$1,255.70 for use of said street area. Payment has not been made. Improvements have not been removed.

Parcel 3 is covered by Use Permit dated 5 March 1945 from City of Seattle. Is a portion of City's sewage treatment plant area. Use was obtained for construction of a railroad spur. Permit is still in effect. Permit reads in part "It shall be understood that continued occupancy will be permitted until the Army has no further need for the area or until such time as the City will need the use of the property, and when this occupancy is terminated, the U.S. Army, Corps of Engineers shall remove the spur track and restore the grounds and fence to their original condition." The area adjoins Diagonal Avenue on the north and the perimeter fence of Air Force Plant 75 has been extended to include the area.

In event of vacation of Diagonal Avenue, southerly half reverts to the United States and the northerly half to City of Seattle. Preliminary discussions with City officials indicate that the City will not agree to voluntary vacation of Diagonal Avenue, and that the City will expect payment of fair market value if the United States determines a need exists to acquire fee title to the northerly half in event of vacation.

Estimated fair market value of the fee in the northerly half of Diagonal Avenue in event of street vacation and the 0.27-acre in Parcel 3 is \$125,000.

Present indications are that the United States can enjoy continued use of the two parcels by payment of an annual fee of \$1,255.70.

20. RECOMMENDATIONS.

a. Considering the City's attitude toward street vacation and also in the interests of economy, it appears that it would be to the best interests of the United States to negotiate for a new permit from the City for continued use of Diagonal Avenue, the permit to provide for payment of the City's established street use fee (in this case a total of \$1,255.70 per annum is indicated.)

b. Permit for use of Parcel 3 (portion of sewage treatment plant area) as now written provides for occupancy "until the Army has no further need for the area". Permit should be modified to read "until the United States Government has no further need for the area".

c. Acquisition, under a. and b. above, would be an exception to the general policy that the Government must either hold or acquire fee title to land upon which permanent construction is to be placed, and will require that a request for exception to the policy be made to the Assistant Secretary of Defense.

d. In the event satisfactory permits, which will protect the Government's investment, cannot be obtained from the City of Seattle, it is recommended that condemnation action be initiated for vacation of that portion of Diagonal Avenue identified as Parcel 2 on attached Exhibit "B", and negotiations entered into with the City for acquisition of fee title to that portion reverting to the City, as well as the 0.27-acre tract (Parcel 3) adjacent thereto.

21. CERTIFICATION.

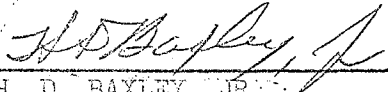
I certify that I have carefully inspected subject property, and that the amount set forth in this report represents my best unbiased judgment of the market value for Fee Simple Title thereto. I further certify that I have no present nor intended interest therein.

Addenda:

- Exhibit "A" - Revocation of Permit
- Exhibit "B" - Project Map


Prepared by:

28 December 1961

  
H. D. BAXLEY, JR.  
Appraiser, NPS

I certify that I have made a physical inspection of subject property. I have reviewed the report and concur in the conclusions reached by the appraiser. Report is approved.

29 December 1961

  
ROBERT M. FENTON  
Chief, Appraisal Branch, NPS

CITY OF SEATTLE

DEPARTMENT OF PUBLIC WORKS  
Room 512 County-City Building  
SEATTLE 4, WASHINGTON

E. G. HENRY  
EXECUTIVE SECRETARY

August 30, 1961

Re: Cancellation of Street Use Permit #A-2  
for use of portion of Diagonal Avenue

CERTIFIED MAIL

District Engineer  
U.S. Army Engineer District,  
Seattle  
1519 Alaskan Way South  
Seattle 4, Washington

Dear Sir:

The City Engineering Department has informed the Board of Public Works, in a communication dated August 22, 1961, that the portion of Diagonal Avenue covered under Street Use Permit A-2 issued to the United States of America on August 27, 1941 is not being occupied for the purposes as requested in said permit. The City Engineer further states that the Boeing Company, Aero-Space Division, is now using said area for which we feel the United States Government has no need. It was therefore the recommendation that the existing permit be cancelled and the new occupant be directed to secure a new permit.

In accordance therewith you are officially notified of the cancellation of Street Use Permit No. A-2, and directed to remove any and all private property from the area involved within thirty (30) days from the date of this notice.

By order of the Board of Public Works in regular session,  
August 30, 1961.

Respectfully,

BOARD OF PUBLIC WORKS

E. G. Henry  
Executive Secretary

EGH:w

cc: Street Use Division

"CERTIFIED TRUE COPY"

EXHIBIT "A"